

4. Digitization of Banking and Other Financial Services

Digitalization India is a campaign launched by the Government of India to ensure that Government services are made available to citizens electronically by improving online infrastructure and by increasing Internet connectivity or by making the country digitally empowered in the field of technology.

Digital banking contains a full transformation to a digital environment – frontend and backend and anything in between – for both customers and employees. Digital banking relies on big data, analytics and embracing all new technologies to improve the customer's experience. You will only be considered a digital bank if you have digitized all the functions you have – from product development to customer service.

Payment and settlement systems in India are for financial transactions. They are covered by the **Payment and Settlement system (amendment) act, 2015**. And regulated by the RBI and the Board for Regulation and Supervision of Payment and Settlement System.

National Payments Corporation of India (NPCI), an umbrella organisation for operating retail payments and settlement systems in India, is an initiative of Reserve Bank of India (RBI) and Indian Banks Association (IBA) under the provisions of the Payment and Settlement Systems Act, 2007, for creating a robust Payment & Settlement Infrastructure in India.

Customers Benefits from Digital Banking

- Convenience of banking anywhere and anytime
- Simplified transactions
- Secrecy of transactions, even without intervention of bank staff.
- Innovative products and services offered by banks.
- No trips to branches or queues leading to reduction in expenses and time saving.

Bank Benefits from Digital Banking

- Customer delight through innovative products and services.
- Better customer focus by harnessing technology that predicts customer demands and preferences.
- More customer loyalty by offering personalized offers and services at the convenience of customers.
- More business by offering customer specific products by adopting analytics.
- Better profitability by reducing dependence on physical branch network.
- Meeting regulatory requirements through transparency and disclosures.
- Facing the challenges being caused by innovative fintech solutions.
- Achieving businesses targets and reach in a highly cost effective manner.
- 360 degree view of customers by collecting data from banks records, social media and other public domain.
- Acquiring new customers, especially young to ensure future business prospectus.
- Operational efficiency by maintaining accurate data and reliable management Information System.

Barriers To Digital Banking

The digital transformation of the financial industry also has its dark side, consisting of obstacles to be overcome. So, what is stopping the banking industry from taking full advantage of the digital revolution?

- The banks' own complex, traditional, centralized systems.
- The regulatory environment.
- Lack of funding.
- Cultural organization.
- Lack of talent and/or skills.

Types of Digital Payment System

1. Banking cards
2. USSD
3. Aadhaar Enabled Payment System (AEPS)
4. UPI
5. Mobile Wallets
6. Point of Sale (PoS)
7. Bharat Interface for Money (BHIM) app
8. Internet Banking
9. Mobile Banking
10. IMPS
11. Prepaid Instruments (PPIs)
12. NETC and FASTag
13. BharatQR
14. NACH
15. RuPay

1. Banking Cards : Cards are among the most widely used payment methods and come with various features and benefits such as security of payments, convenience, etc. The main advantage of debit/credit or prepaid banking cards is that they can be used to make other types of digital payments.

2. USSD : Another type of digital payment method, *99#, can be used to carry out mobile transactions without downloading any app. These types of payments can also be made with no mobile data facility. This facility is backed by the USSD along with the National Payments Corporation of India (NPCI).

3. AEPS : Expanded as Aadhaar Enabled Payment System, AEPS, can be used for all banking transactions such as balance enquiry, cash withdrawal, cash deposit, payment transactions, Aadhaar to Aadhaar fund transfers, etc. All transactions are carried out through a banking correspondent based on Aadhaar verification. There is no need to physically visit a branch, provide debit or credit cards, or even make a signature on a document.

4. UPI : UPI is a type of interoperable payment system through which any customer holding any bank account can send and receive money through a UPI-based app. The service allows a user to link more than one bank account on a UPI app on their smartphone to

seamlessly initiate fund transfers and make them collect requests on a 24/7 basis and on all 365 days a year.

5. Mobile Wallets : A mobile wallet is a type of virtual wallet service that can be used by downloading an app. The digital or mobile wallet stores bank account or debit/credit card information or bank account information in an encoded format to allow secure payments. One can also add money to a mobile wallet and use the same to make payments and purchase goods and services.

6. PoS Terminals : Traditionally, PoS terminals referred to those that were installed at all stores where purchases were made by customers using credit/debit cards. It is usually a hand held device that reads banking cards. However, with digitization the scope of PoS is expanding and this service is also available on mobile platforms and through internet browsers.

7. Bharat Interface for Money (BHIM) App : The BHIM app allows users to make payments using the UPI application. This also works in collaboration with UPI and transactions can be carried out using a VPA. One can link his/her bank account with the BHIM interface easily. It is also possible to link multiple bank accounts. The BHIM app can be used by anyone who has a mobile number, debit card and a valid bank account. Money can be sent to different bank accounts, virtual addresses or to an Aadhaar number. There are also many banks that have collaborated with the NPCI and BHIM to allow customers to use this interface.

8. Internet Banking : It is also known as Web Banking or PC Banking or eBanking. The easy accessibility to internet facility and availability of computer lead the banks to provide their products and services through new delivery medium i.e. internet. Today, all private and public sector banks are providing e-banking services to their clients.

9. Mobile Banking : Mobile banking has simplified the lives of many people and given them the option to send money, receive money, check account balance, pay bills, etc. using their mobile phones. And the best part is that banks offer mobile banking services for free.

Types of Mobile Banking Services : Banks provide mobile banking services to their clients in the ways listed here :

- Mobile Banking over Wireless Application Protocol (WAP)
- Mobile Banking over SMS (also known as SMS Banking)

Mobile Banking over WAP : The customers can download the mobile application of the concerned bank on their smartphones and then use it to avail various services provided by the bank. They need to register for mobile banking separately and receive their login credentials to use the mobile banking applications, simply known as mobile apps. Most banks provide mobile apps for iOS and Android devices. Some of the major mobile banking services have been mentioned here:

- **Account Access :** Customers can easily access their bank account using their smart phones by downloading the mobile banking. All they need is to use their User ID and password to access their accounts. They can then carry out different banking transactions instantly.
- **Balance Enquiry :** One of the main reasons why people used to visit the bank was to keep their passbooks updated so that they always knew their current balance. When the balance enquiry service was offered through ATM, people

started using it instead of visiting the bank. Now, it is even more convenient to check account balance using the mobile banking

- **e-Passbook** : Some banks offer a separate digital passbook mobile app that customers can download to check their previous transactions and the latest account balance while others just have this service as a part of their main mobile banking. There is no need to visit a bank or ATM for balance enquiry or account statement.
- **Account Statement** : If you want to check your bank account statement, you no longer need to go to the bank or ATM since you can get the statement on the mobile app of your bank. Since there are only a few free ATM transactions available to everyone these days, it is better to avail them only for cash withdrawal; account balance or account statement should be checked using the mobile app. You can also download your account statement in PDF format and save it on your phone.
- **Fund Transfer** : If internet banking and mobile banking have made the lives of people easier, it is mainly because of this service. People can now transfer money from their bank account to an account in their own bank or another bank easily. They may have to pay a nominal charge to carry out interbank transfers but intra-bank transfers are usually free. IMPS, NEFT or RTGS transactions can also be carried out easily using mobile apps.
- **Bill Payment** : Mobile banking has made it easy to pay your mobile, credit card or utility bills. You can even schedule payments on a certain day of the month so that you do not have to worry about the payments. There is no need to stand in long queues to pay your phone bills, credit card bills, etc.
- **Branch Locator** : If you are in a new city or area, you may need to find a branch of your bank then you can easily use mobile banking app to find it. Most banks have a 'Branch Locator' that you can use to find the nearest branch.
- **ATM Locator** : When you are in a new city or area, you might want to withdraw cash from an ATM. The easiest way to find an ATM of your bank is to open your mobile banking app and go to the "ATM Locator." You will be able to find the address and exact location of the ATM within your vicinity.
- **Requests** : There is no need to visit the bank to request a cheque book, new debit card, credit card, duplicate debit card, etc. Since you can do so easily using the mobile app. Most banks also offer the service to hotlist or block a debit or credit card in the case of loss or theft.

Mobile Banking over SMS : Most banks offer mobile banking services over SMS. The customers need to sign up for this service, known as SMS Banking, by registering their mobile number. Then, they can send SMS to the bank to enquire about their account balance, check mini account statement, etc. The bank then replies with an SMS that contains the information requested by the customer.

10. IMPS : For transferring funds real time and 24×7×365 interbank was a major challenge faced in banking industry. Only NEFT & RTGS were available to user for fund transfer during banking hours. With the above context in mind, NPCI launched Immediate Payment Service (IMPS) in 2010.

IMPS provides robust & real time fund transfer which offers an instant, interbank electronic fund transfer service that could be accessed on multiple channels like Mobile, Internet, ATM, SMS, Branch and USSD(*99#). IMPS is an emphatic service which allow transferring of funds instantly within banks across India which is not only safe but also economical.

This facility is provided by NPCI through its existing NFS switch.

The eligible criteria for the Banks who can participate in IMPS is that the entity should have valid banking or prepaid payment instrument license from Reserve Bank of India to participate in IMPS.

11. Prepaid Instruments (PPIs): PPIs are instruments that facilitate purchase of goods and services, including financial services, remittance facilities, etc., against the value stored on such instruments. PPIs that can be issued in the country are classified under three types viz.

Closed System PPIs: These PPIs are issued by an entity for facilitating the purchase of goods and services from that entity only and do not permit cash withdrawal.

Semi-closed System PPIs: These PPIs are issued by banks (approved by RBI) and non-banks (authorized by RBI) for purchase of goods and services, including financial services, remittance facilities, etc., at a group of clearly identified merchant locations/establishments which have a specific contract with the issuer (or contract through a payment aggregator/ payment gateway) to accept the PPIs as payment instruments. These instruments do not permit cash withdrawal, irrespective of whether they are issued by banks or non-banks.

Open System PPIs : These PPIs are issued only by banks (approved by RBI) and are used at any merchant for purchase of goods and services, including financial services, remittance facilities, etc. Cash withdrawal at ATMs / Points of Sale (PoS) terminals / Business Correspondents (BCs) are also allowed through such PPIs.

The PPIs may be issued as cards, wallets, and any such form / instrument which can be used to access the PPI and to use the amount therein. PPIs in the form of paper vouchers are no longer be issued.

12. NETC and FASTag : NPCI has developed the National Electronic Toll Collection (NETC) program to meet the electronic tolling requirements of the Indian market. It offers an interoperable nationwide toll payment solution including clearing house services for settlement and dispute management. Interoperability, as it applies to National Electronic Toll Collection (NETC) system, encompasses a common set of processes, business rules and technical specifications which enable a customer to use their FASTag as payment mode on any of the toll plazas irrespective of who has acquired the toll plaza.

FASTag is a device that employs Radio Frequency Identification (RFID) technology for making toll payments directly while the vehicle is in motion. FAS Tag (RFID Tag) is affixed on the windscreen of the vehicle and enables a customer to make the toll payments directly from the account which is linked to FASTag.

FASTag offers the convenience of cashless payment along with benefits like - savings on fuel and time as the customer does not has to stop at the toll plaza.

13. BharatQR : BharatQR, developed by NPCI, Mastercard, and Visa, is an integrated payment system. The system, which was launched in September 2016, facilitates users to transfer their money from one source to another. The money transferred through BharatQR is received directly in the user's linked bank account. It provides a common interface for American Express,

Visa, Mastercard, and RuPay cards. As opposed to other such systems, used by private companies and banks, BharatQR is interoperable with all the banks.

14. NACH : National Payments Corporation of India (NPCI) has implemented "National Automated Clearing House (NACH)" for Banks, Financial Institutions, Corporates and Government a web-based solution to facilitate interbank, high volume, electronic transactions which are repetitive and periodic in nature. NACH System can be used for making bulk transactions towards distribution of subsidies, dividends, interest, salary, pension etc. and also for bulk transactions towards collection of payments pertaining to telephone, electricity, water, loans, investments in mutual funds, insurance premium etc.

NACH's Aadhaar Payment Bridge (APB) System, developed by NPCI has been helping the Government and Government Agencies in making the Direct Benefit Transfer scheme a success. APB System has been successfully channelizing the Government subsidies and benefits to the intended beneficiaries using the Aadhaar numbers. The APB System links the Government Departments and their sponsor banks on one side and beneficiary banks and beneficiary on the other hand.

15. RuPay : RuPay is an Indian card scheme conceived and launched by the National Payments Corporation of India (NPCI) on 26 March 2012. It was created to fulfil the Reserve Bank of India's (RBI) desire to have a domestic and multilateral system of payments in India. In India, 90% of credit card transactions and almost all debit card transactions are domestic; however, the cost of transactions was high due to the dominance of foreign card schemes like Visa and Mastercard. RuPay facilitates electronic payment at all Indian banks and financial institutions.

Major Concepts in Digital Banking

1. Society for Worldwide Interbank financial Telecommunications (SWIFT)

Today, it is easy to walk into a bank and transfer money anywhere around the globe, but how does this happen? Behind most international money and security transfers is the Society for Worldwide Interbank Financial Telecommunications (SWIFT) system. SWIFT is a vast messaging network used by banks and other financial institutions to quickly, accurately, and securely send and receive information, such as money transfer instructions.

Every day, nearly 10,000 SWIFT member institutions send approximately 24 million messages on the network.

SWIFT is a messaging network that financial institutions use to securely transmit information and instructions through a standardized system of codes.

SWIFT assigns each financial organization a unique code that has either eight characters or 11 characters. The code is interchangeably called the bank identifier code (BIC), SWIFT code, SWIFT ID, or ISO 9362 code. To understand how the code is assigned, let's look at Italian bank UniCredit Banca, headquartered in Milan. It has the 8-character SWIFT code UNCRITMM.

- **First Four Characters :** The institute code (UNCR for UniCredit Banca)
- **Next Two Characters :** The country code (IT for the country Italy)
- **Next Two Characters :** The location/city code (MM for Milan)
- **Last Three Characters :** Optional, but organizations use it to assign codes to individual branches. (The UniCredit Banca branch in Venice may use the code UNCRITMMZZZ.)

Assume a customer of a Bank of America branch in New York wants to send money to his friend who banks at the UniCredit Banca branch in Venice. The New York customer can walk into his Bank of America branch with his friend's account number and UnicaCredit Banca's unique SWIFT code for its Venice branch. Bank of America will send a payment transfer SWIFT message to the UniCredit Banca branch over the secure SWIFT network. Once Unicredit Banca receives the SWIFT message about the incoming payment, it will clear and credit the money to the Italian friend's account.

As powerful as SWIFT is, keep in mind that it is only a messaging system - SWIFT does not hold any funds or securities, nor does it manage client accounts.

The World Before SWIFT

Prior to SWIFT, Telex was the only available means of message confirmation for international funds transfer. Telex was hampered by low speed, security concerns, and a free message format. In other words, Telex did not have a unified system of codes like SWIFT to name banks and describe transactions. Telex senders had to describe every transaction in sentences which were then interpreted and executed by the receiver. This led to many human errors.

To circumvent these problems, the SWIFT system was formed in 1974. Seven major international banks formed a cooperative society to operate a global network that would transfer financial messages in a secure and timely manner.

Uses of SWIFT

In the beginning, SWIFT founders designed the network to facilitate communication about treasury and correspondent transactions only. The robustness of the message format design allowed huge scalability through which SWIFT gradually expanded to provide services to the following :

- Banks
- Brokerage Institutes and Trading Houses
- Securities Dealers
- Asset Management Companies
- Clearing Houses
- Depositories
- Exchanges
- Corporate Business Houses
- Treasury Market Participants and Service Providers
- Foreign Exchange and Money Brokers

The SWIFT system offers many services that assist businesses and individuals to complete seamless and accurate business transactions. Some of the services offered include:

Applications

SWIFT connections enable access to a variety of applications, which include real-time instruction matching for treasury and forex transactions, banking market infrastructure for processing payment instructions between banks, and securities market infrastructure for processing clearing and settlement instructions for payments, securities, forex, and derivatives transactions.

Business Intelligence

SWIFT has recently introduced dashboards and reporting utilities which enable the clients to get a dynamic, real-time view of monitoring the messages, activity, trade flow, and reporting. The reports enable filtering based on region, country, message types, and related parameters.

Compliance Services

Aimed at services around financial crime compliance, SWIFT offers reporting and utilities like Know Your Customer (KYC), Sanctions, and Anti-Money Laundering (AML).

Messaging, Connectivity, and Software Solutions

The core of SWIFT business resides in providing a secure, reliable, and scalable network for the smooth movement of messages. Through its various messaging hubs, software, and network connections, SWIFT offers multiple products and services which enable its end clients to send and receive transactional messages.

2. RTGS System

The acronym 'RTGS' stands for Real Time Gross Settlement, which can be explained as a system where there is continuous and real-time settlement of fund-transfers, individually on a transaction by transaction basis (without netting). 'Real Time' means the processing of instructions at the time they are received; 'Gross Settlement' means that the settlement of funds transfer instructions occurs individually.

Benefits of using RTGS-

RTGS offers many advantages over the other modes of funds transfer:

- It is a safe and secure system for funds transfer.
- RTGS transactions/transfers have no amount cap.
- The system is available on all days when most bank branches are functioning, including Saturdays.
- There is real time transfer of funds to the beneficiary account.
- The remitter need not use a physical cheque or a demand draft.
- The beneficiary need not visit a bank branch for depositing the paper instruments.
- The beneficiary need not be apprehensive about loss/theft of physical instruments or the likelihood of fraudulent encashment thereof.
- Remitter can initiate the remittances from his/her home/place of work using internet banking, if his/her bank offers such service.
- The transaction charges have been capped by RBI.
- The transaction has legal backing.

RTGS is not a 24×7 system. The RTGS service window for customer transactions is available to banks from 7 am to 6 pm on a working day, for settlement at the RBI end. However, the timings that the banks follow may vary from bank to bank.

Minimum/Maximum amount stipulation for RTGS transactions-

The RTGS system is primarily meant for large value transactions. The minimum amount to be remitted through RTGS is ₹ 2,00,000/- with no upper or maximum ceiling.

Processing charges/service charges for RTGS transactions-

With effect from July 01, 2019, the Reserve Bank has waived the processing charges levied by it for RTGS transactions. Banks may pass on the benefit to its customers.

With a view to rationalize the service charges levied by banks for offering funds transfer through RTGS system, a broad framework of charges has been mandated as under:

- (a) Inward transactions - Free, no charge to be levied.
- (b) Outward transactions - ₹ 2,00,000/- to 5,00,000/-: not exceeding ₹ 24.50/-;(exclusive of tax, if any) Above ₹ 5,00,000/-: not exceeding ₹ 49.50/-: (exclusive of tax, if any)

Banks may decide to charge a lower rate but cannot charge more than the rates prescribed by RBI.

In case of any delay in returning the failed payment, the originating customer is eligible to receive compensation at current repo rate plus 2%.

3. NEFT System

National Electronic Funds Transfer (NEFT) is a nation-wide payment system facilitating one-to-one funds transfer. Under this Scheme, individuals, firms and corporates can electronically transfer funds from any bank branch to any individual, firm or corporate having an account with any other bank branch in the country participating in the Scheme.

Individuals, firms or corporates maintaining accounts with a bank branch can transfer funds using NEFT. Even such individuals who do not have a bank account (walk-in customers) can also deposit cash at the NEFT-enabled branches with instructions to transfer funds using NEFT. However, such cash remittances will be restricted to a maximum of ₹ 50,000/- per transaction. Such customers have to furnish full details including complete address, telephone number, etc. NEFT, thus, facilitates originators or remitters to initiate funds transfer transactions even without having a bank account.

Limit on the amount that could be Transferred using NEFT

There is no limit either minimum or maximum on the amount of funds that could be transferred using NEFT. However, maximum amount per transaction is limited to ₹ 50,000 for cash-based remittances within India and also for remittances to Nepal under the Indo-Nepal Remittance Facility Scheme.

Operating Hours of NEFT

From July 10, 2017 settlements of fund transfer requests in NEFT system is done on half-hourly basis. There are twenty three half-hourly settlement batches run from 8 am to 7 pm on all working days of week (Except 2nd and 4th Saturday of the month).

IFSC

IFSC or Indian Financial System Code is an alpha-numeric code that uniquely identifies a bank-branch participating in the NEFT system. This is an 11 digit code with the first 4 alpha characters representing the bank, and the last 6 characters representing the branch. The 5th character is 0 (zero). IFSC is used by the NEFT system to identify the originating/destination banks/branches and also to route the messages appropriately to the concerned banks/branches.

The Processing or Service charges for NEFT Transactions

The structure of charges that can be levied on the customer for NEFT is given below:

- (a) Inward transactions at destination bank branches (for credit to beneficiary accounts)
 - Free, no charges to be levied on beneficiaries

- (b) Outward transactions at originating bank branches - charges applicable for the remitter
- For transactions up to ₹ 10,000 : not exceeding ₹ 2.50 (+ Applicable GST)
 - For transactions above ₹ 10,000 up to ₹ 1 lakh: not exceeding ₹ 5 (+ Applicable GST)
 - For transactions above ₹ 1 lakh and up to ₹ 2 lakhs: not exceeding ₹ 15 (+ Applicable GST)
 - For transactions above ₹ 2 lakhs: not exceeding ₹ 25 (+ Applicable GST)

Benefits of using NEFT

NEFT offers many advantages over the other modes of funds transfer :

- The remitter need not send the physical cheque or Demand Draft to the beneficiary.
- The beneficiary need not visit his/her bank for depositing the paper instruments.
- The beneficiary need not be apprehensive of loss/theft of physical instruments or the likelihood of fraudulent encashment thereof.
- Cost effective.
- Credit confirmation of the remittances sent by SMS or email.
- Remitter can initiate the remittances from his home/place of work using the internet banking also.
- Near real time transfer of the funds to the beneficiary account in a secure manner.

4. MICR

Magnetic Ink Character Recognition Code (MICR Code) is a character-recognition technology used mainly by the banking industry to ease the processing and clearance of cheques and other documents. It consists 9 digits. First three digits denotes the city, next three digits representing the bank and the last three digits representing the bank branch.

This code is printed in Cheque Leaf, Demand Draft, Pay order etc.

5. CTS

Cheque Truncation System (CTS) is a cheque clearing system undertaken by the Reserve Bank of India (RBI) for faster clearing of cheques. As the name suggests, truncation is the process of stopping the flow of the physical cheque in its way of clearing. In its place an electronic image of the cheque is transmitted with key important data.

Cheque truncation thus obviates the need to move physical instruments across branches. This effectively eliminates the associated cost of movement of physical cheques, reduces the time required for their collection and brings elegance to the entire activity of cheque processing. It is a system which is practised worldwide in the banking sector.

In India, the RBI has made available inter-bank and customer payments online in near-real time in the form of RTGS and NEFT. However, cheques still remain a prominent mode of payment in the country. Physical cheques still account for 75% to 80% of all transactions.

So, the RBI decided to focus on improving efficiency of the cheque clearing cycle. Thus, offering CTS is an alternative. CTS also reduces operational risks in banking operations as clearing is a highly fraud-prone operation. This explains CTS from the regulators' perspective.

Government Payments and Receipts

The overall payments and receipts made by departments can be categorized as below:

1. **Citizens to Government (C2G) and Business to Government (B2G) Payments:** Departments deliver various services to citizens and businesses and collect payments against delivered services.
2. **Government to Citizens (G2C) Payments:** As part of Government schemes/plans, departments make payments to beneficiaries (Citizens/Departments) of such schemes. Also, government hires external personnel to deliver services/support to the departments and makes payment against such services to personnel.
3. **Government to Businesses (B2G) Payments:** Departments procure goods/products and sub-contract projects/services to external agencies/persons and make payments for such procurements and projects.
4. **Government to Employee (G2E) Payments:** Departments make payments to their employees primarily through online or using cheques and cash for some portions of the overall remuneration.
5. **Government to Government (G2G):** The major portion of G2G payments is made using Public Finance and Management (PFMS). Departments register on PFMS portal along with the bank account details.

Ques. *E-banking business is essentially regulated by the Information Technology Act, 2000, under which personal signature is replaced by :* (NTA UGC NET June 2015 P-II)

- | | |
|-------------------------|----------------------|
| (A) Encrypted signature | (B) Image signature |
| (C) Digital signature | (D) Online signature |

Ans. (C) *E-banking business is essentially regulated by the Information Technology Act, 2000, under which personal signature is replaced by digital signature.*

Ques. *To operationalise online, internet, mobile banking, debit card and credit card tools, some of the essential ingredients are :* (NTA UGC NET June 2015 P-III)

- (A) Compliance with the Information Technology Act 2000
- (B) Satellite connection
- (C) Selection of a portal and server
- (D) All of the above

Ans. (D) *To operationalise online, internet, mobile banking, debit card and credit card tools, some of the essential ingredients are :*

- Compliance with the Information Technology Act 2000
- Satellite connection
- Selection of a portal and server

Ques. *'SWIFT' stands for :* (NTA UGC NET Dec. 2015 P-III)

- (1) Society for Worldwide Inter-bank Fund Transfer
- (2) Society for Worldwide Inter-bank Fast Transmission
- (3) Society for Worldwide Inter-bank Financial Telecommunications
- (4) None of the above

- Ans. (3)** 'SWIFT' stands for Society for Worldwide Inter-bank Financial Telecommunications. It is a messaging network that financial institutions use to securely transmit information and instructions through a standardized system of codes.
- Founded in Brussels in 1973, the Society for the Worldwide Interbank Financial Telecommunication (SWIFT) is a co-operative organization dedicated to the promotion and development of standardized global interactivity for financial transactions. SWIFT's original mandate was to establish a global communications link for data processing and a common language for international financial transactions.



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